

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

February 7, 2022

9:05 a.m.

MEMBERS PRESENT

Senator Roger Holland, Chair
Senator Gary Stevens, Vice Chair
Senator Peter Micciche
Senator Tom Begich

MEMBERS ABSENT

Senator Shelley Hughes

COMMITTEE CALENDAR

CONFIRMATION HEARING(S) :

University of Alaska Board of Regents
Kali Spencer - Juneau

- CONFIRMATION ADVANCED

PRESENTATION(S) : DEED COVID-19 FEDERAL RELIEF FUNDING OVERVIEW

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KALI SPENCER, Governor's Appointee
University of Alaska Board of Regents
Juneau, Alaska

POSITION STATEMENT: Testified as the governor's appointee to the University of Alaska Board of Regents.

LACEY SANDERS, Administrative Services Director
Alaska Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Presented the DEED update: COVID-19 Federal Relief Funding.

ACTION NARRATIVE

[9:05:47 AM](#)

CHAIR ROGER HOLLAND called the Senate Education Standing Committee meeting to order at 9:05 a.m. Present at the call to order were Senators Begich, Micciche, Stevens, and Chair Holland.

CONFIRMATION HEARING(S)
UNIVERSITY OF ALASKA BOARD OF REGENTS

[9:06:25 AM](#)

CHAIR HOLLAND announced the consideration of a governor appointee to the University of Alaska Board of Regents.

[9:06:53 AM](#)

KALI SPENCER, Governor's Appointee, University of Alaska Board of Regents, Juneau, Alaska, said she grew up in Eagle River, now lives in Juneau, and attends the University of Alaska Southeast (UAS) where she is earning a bachelor's degree. She has a passion for student advocacy and values quality education.

[9:07:43 AM](#)

SENATOR BEGICH asked what the role of the University of Alaska (UA) is in the continuum of education. He stated that President Pitney would be transiting from the interim president to president and asked what a board member's oversight role is.

MS. SPENCER replied that the university's role is to harbor space conducive to learning for all students and provide a better life for students through education. It also provides the future workforce for Alaska. She stated that the vote to change President Pitney's role from the interim president to the president would occur next week. She looked forward to discussing whether a search for a president should be conducted, as many students voiced a desire for recruitment.

SENATOR BEGICH stated it was his understanding that recruitment had been done. He asked for an explanation of the conflict.

[9:10:03 AM](#)

MS. SPENCER replied that the students were looking for a traditional search.

[9:10:27 AM](#)

SENATOR BEGICH asked if the students were engaged in the search process.

MS. SPENCER stated that she provided feedback to the board from students; most were confident in President Pitney's ability to fulfill the role of acting president.

[9:11:00 AM](#)

SENATOR STEVENS stated he is glad students are on the university board and wished more district school boards had a student seat. He asked what forums were available to learn about student concerns.

MS. SPENCER answered that she was involved in the Alaska Association of Student Governments for seven years. The organization consists of 150 high schools. She was also elected to be the Anchorage School District's student representative. The University of Alaska (UA) Coalition of Student Leaders is her primary means of information. It brings student leaders together to discuss issues in their communities.

SENATOR STEVENS commented that Ms. Spencer is unintimidated by age differences and is articulate. He expressed his belief that she would be a good student representative to the Board of Regents.

SENATOR MICCICHE stated he was impressed by her resume.

[9:14:15 AM](#)

SENATOR BEGICH asked if confirmations require public comment and was told no.

[9:14:31 AM](#)

At ease.

[9:14:52 AM](#)

CHAIR HOLLAND reconvened the meeting.

[9:14:59 AM](#)

CHAIR HOLLAND solicited a motion.

[9:15:03 AM](#)

SENATOR STEVENS moved that Kali Spencer, appointee to the University of Alaska Board of Regents, be forwarded to a joint session of the legislature for consideration.

[9:15:16 AM](#)

CHAIR HOLLAND stated that in accordance with AS 39.05.080, the Senate Education Standing Committee reviewed the following and recommends the appointments be forwarded to a joint session for consideration:

University of Alaska Board of Regents
Kali Spencer - Juneau, Alaska

CHAIR HOLLAND reminded members that signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[9:15:27 AM](#)

At ease.

PRESENTATION(S) : DEED COVID-19 Federal Relief Funding Overview

[9:17:39 AM](#)

CHAIR HOLLAND reconvened the meeting and announced an update on COVID-19 Federal Relief Funding from the Department of Education and Early Development (DEED).

[9:18:01 AM](#)

LACEY SANDERS, Administrative Services Director, Alaska Department of Education and Early Development, Juneau, Alaska, stated she would provide an update on the three funding packages DEED received. Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020 and awarded the Department of Education and Early Development (DEED) \$74.5 million. Elementary and Secondary School Emergency Relief (ESSER I) funds received \$38.4 million. CARES specified that 90 percent of ESSER I funds would be allocated to school districts based on the proportion of Title I-A funds received in the most recent year. Each school district was responsible for creating a plan and budget for their funds. As each federal act progressed, allowable uses expanded and could be applied retroactively. DEED provided close guidance and review to school districts. DEED also assisted district staff with timeframe compliance.

[9:20:55 AM](#)

MS. SANDERS reported that under ESSER I, the remaining 10 percent was allocated to the state educational agency (SEA). DEED called this the SEA Reserve. The SEA Reserve had an

allowable 0.5 percent of 1 percent use for administrative costs associated with grant administration. She noted that the table on slide 2 used the term "obligated" because districts have until September 2022 to spend the funds. Examples of how DEED utilized the state reserve include providing all school districts access to the Canvas Learning Management System (Canvas LMS) for two years. Also, a contract to make the teacher certification process digital was made with the vendor Inlumin. The digital process will be available in September 2022.

9:22:40 AM

SENATOR BEGICH asked if the non-digital option for teacher certification would still be available.

MS. SANDERS replied yes, and some confidential information, such as fingerprints, would be held in hardcopy format for security purposes.

SENATOR STEVENS asked how the department of administration used \$200,000.

MS. SANDERS replied that \$180,000 went to the Department of Law for advisement. The department also added a non-permanent position to handle emergency assistance to non-public schools and two positions to support the increase in grant workload.

9:25:16 AM

SENATOR MICCICHE commented that the total amount to administration [slide 5] was relatively small, less than 1 percent.

MS. SANDERS replied that compared to the overall amount that came to DEED, the amount to administration was less than one-half of one percent. The ESSER relief funds had an appropriation of 0.5 percent of 1 percent; not all Covid funding allowed for administrative overhead.

9:26:07 AM

SENATOR MICCICHE asked if that amount represents typical pass-through funding for education.

MS. SANDERS stated she did not know the typical pass-through funding amount for education but would find out and provide it to the committee.

9:26:25 AM

MS. SANDERS discussed the Governor's Emergency Education Relief funds (GEER) on slide 2. GEER I gave the governor \$6.5 million in discretionary funds to be awarded to educational entities for COVID-19 emergency assistance. The governor assisted the University of Alaska with \$1.5 million and the Alaska Native Science and Engineering Program with \$200,000. School districts received \$3.7 million, and \$1 million was distributed through a competitive grant program. Various grant recipients included Juneau Arts Matter, Discovery Southeast, and Tundra Women's Coalition.

9:27:38 AM

SENATOR BEGICH asked why the governor gave \$3.7 million to school districts.

MS. SANDERS explained that the \$3.7 million given to school districts from GEER I funds adjusted for the deficit some school districts experienced when \$34 million in Title I-A funds did not balance the loss incurred from the governor's veto of a \$30 million education appropriation that was outside the K-12 formula.

9:29:01 AM

SENATOR BEGICH restated that the legislature had \$30 million in additional monies. The governor vetoed those monies, but the amount was offset by the CARES money, which was \$34 million. The CARES Act used a distribution method that was based on Title I-A. This distribution method meant some districts received more while others received less than what they would have received if the vetoed \$30 million had been distributed. Therefore, the governor used \$3.7 million to account for the difference. Those that received less from Title I-A, received money from the governor's discretionary fund to level out the difference.

MS. SANDERS replied that is correct.

9:29:54 AM

SENATOR BEGICH inquired about accountability measures for the \$34 million ESSER I and \$3.7 million GEER I funds.

9:30:17 AM

MS. SANDERS replied that the money was for addressing needs in education caused by the COVID-19 pandemic. School districts were getting teachers set up with online education supplies and materials to keep schooling moving forward. DEED ensured allowable expenses were paid using the COVID-19 funds.

9:30:48 AM

SENATOR BEGICH asked what accountability measures were submitted to DEED to indicate COVID-19 money was spent appropriately by school districts.

MS. SANDERS replied that school district plans and expenditures were reviewed by DEED. Reimbursements were made when expenses aligned with the purpose of the funds.

9:31:31 AM

SENATOR HUGHES stated that there are stories about students struggling and failing during and after the pandemic. She expressed concern that the education of Alaska's children was diminished. She stated that \$500 million was given to school districts. She would like details on how the school districts used the funds and whether data was tracked to determine success.

MS. SANDERS responded that reporting mechanisms for dollars would be discussed later in the presentation. Measuring student learning is not her expertise.

9:33:46 AM

SENATOR MICCICHE stated that the amount of money going to school districts has been as high as \$600 million, with some grants ending in 2025. He expressed concern that school districts will establish programs that need funding beyond 2025 since education has been flat-funded for several years.

MS. SANDERS replied yes; however, DEED deliberately chose improvements to the department that were finite. Commissioner Johnson sent letters to superintendents warning against school district programs that would hit a fiscal cliff in 2025. DEED created webinars and other materials to assist schools in selecting meaningful projects that would not have ongoing expenditures.

9:36:15 AM

MS. SANDERS said the state received \$42.2 million for Child Nutrition Food Assistance which had a short window of availability. Eligible entities used \$28.3 million of the award. As an existing grantee of the Center on Disease Control (CDC) School Wellness Program, child nutrition also received a non-competitive grant of \$766,000. The purpose of the grant was to provide training and technical assistance in responding to COVID-19 in the workplace.

9:37:16 AM

MS. SANDERS said that the Division of Libraries, Archives & Museums received a \$66,102 award that ended with a remaining balance \$3,500. The National Endowment for the Arts provided the Alaska State Council on the Arts with \$421,500. The grant is still in effect and has a remaining balance of \$24,324 to be awarded.

9:38:10 AM

MS. SANDERS moved to slide 3 and stated the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law in December 2020. It allocated \$168 million to DEED. The distribution of CRRSA ESSER II funds was similar to CARES; 90 percent to school districts and 10 percent to the SEA Reserve, with 0.5 of 1 percent for administration costs. Most of the CRRSA funds are obligated with projects still being executed.

MS. SANDERS gave various examples of projects underway and said a website containing a list of all projects and allocations would be provided later in the presentation.

9:42:41 AM

MS. SANDERS advanced to slide 3 and said the governor gave \$2.1 million of his \$2.8 million GEER II funds to UA's School of Health to increase the school's capacity to train registered nurses. The Alaska Commission on Post-Secondary Education received \$115,000 to update the Alaska Career Information System platform and continue work on the Free Application for Federal Student Aid (FAFSA) initiative. The Delta Career Advancement Center was awarded funds to purchase a diesel generator as an alternative power source. CRRSA allocated Emergency Assistance for Non-Public Schools (EANS I). The total state allocation for EANS I was \$5.3 million. Six non-public schools participated and received \$826,000. She noted that DEED was responsible for purchasing and owning the acquisitions of non-public schools. The remaining balance of EANS I funds was converted to GEER funds for the governor to allocate to educational entities.

9:45:51 AM

SENATOR HUGHES asked how DEED promoted the availability of the \$5 million in EANS I funds and how the \$826,000 in received funds were spent.

MS. SANDERS replied that DEED has a list of non-public schools; each was contacted and informed of how to apply for funding. A

federal System for Award Management (SAMS) or Dun & Bradstreet (DUNS) identification number was a requirement for application.

[9:47:22 AM](#)

SENATOR HUGHES asked how many non-public schools do not have the identification number.

MS. SANDERS replied she did not know.

[9:47:33 AM](#)

SENATOR HUGHES asked what was purchased for the six non-public schools with the \$826,000 and what conditions were placed on non-public schools to receive funds.

MS. SANDERS recalled that purchased items included furniture and electronics, such as laptops and tablets. DEED tagged the items for tracking inventory and depreciation purposes. She commented that many schools requested air purifiers, so DEED surveyed public and non-public schools and used the converted EANS to GEER funding to make the \$350,000 purchase.

[9:49:46 AM](#)

SENATOR HUGHES questioned why the EANS money was converted quickly to GEER when the grant did not end until September 2023.

MS. SANDERS stated non-public schools lacked interest in the funds and could not be forced to use them.

[9:51:08 AM](#)

CHAIR HOLLAND asked how much it cost to purchase the Delta Career Advancement Center's diesel generator and how the purchase was justified using COVID-19 emergency funding.

MS. SANDERS replied that the American Rescue Plan Act (ARPA) provided guidelines to ensure funds were spent appropriately. One guideline addressed students experiencing learning loss due to limited accessibility. The power source at the center was unreliable and caused frequent closure, resulting in learning loss. DEED also used the Alaska Education Challenge to prioritize spending.

[9:52:54 AM](#)

CHAIR HOLLAND asked what the total cost was for the project.

MS. SANDERS responded that she did not know but would get back to the committee. She recollected that the generator also needed housing.

9:53:17 AM

MS. SANDERS moved to slide 4 and said that the American Rescue Plan (ARP) Act went into effect on March 11, 2021 and allocated \$379 million to DEED. ESSER III funds totaled \$358 and went to school districts, the SEA Reserve, and the administration with the same allocation percentages as previously awarded; 90 percent for school districts and 10 percent for the department to provide grants and service contracts. The federal government outlined that school districts must reserve at least 20 percent of the award to address learning loss. A plan for safe return to in-person instruction and continuity of service was required to be published on district websites.

MS. SANDERS said that a \$2.3 million award benefited homeless children and youth. Seventy-five percent [\$1,770,507] was obligated to school districts. The remaining \$587,503 would be awarded as grants. Grantees would identify homeless children and provide them with wrap-around services that address the challenges of COVID-19 and enable homeless youth to attend and fully participate in school. Recipients of the award have not been determined.

9:55:40 AM

MS. SANDERS stated DEED received two supplemental allocations of pass-through funding for Part B of the Individuals with Disabilities Education Act (IDEA). The first allocation of \$8.6 million was for school districts, and the second allocation of \$666,000 was for preschools. These funds supported the early intervention of children with disabilities and their families. DEED did not retain any portion of these funds.

MS. SANDERS referred to slide 4 and stated GEER funds were not awarded under ARP. Instead, \$5.9 million was made available to non-public schools, with 25 percent of students from low-income families. Non-public schools could submit data from the free and reduced lunch, E-Rate, scholarships, or surveys to demonstrate qualifying status.

9:57:44 AM

SENATOR HUGHES wondered why non-public schools did not choose to participate and asked if there were requirements to access the funds besides a federal ID and 25 percent low-income enrollment.

MS. SANDERS replied that the only other caveat was allowable uses. She continued that EANS II funding opened for application on January 21 and would close on February 21, 2022. DEED also

provided non-public schools with outreach webinars and materials to help determine how best to use funds.

[9:59:32 AM](#)

MS. SANDERS said that the federal government outlined a formula for allocating DEED's State Educational Agency (SEA) Reserve under ESSER III. The formula awarded: \$17.9 million for activities that address learning loss, \$3.6 million for summer enrichment activities, \$3.6 million for after-school activities, \$9 million for DEED with \$1.8 million for administrative costs, and a maximum of \$2.5 million for other state activities. The commissioner and state board of education will create a process for determining how funds are spent.

MS. SANDERS stated ARP had two additional awards. The Institute on Museum and Library Services awarded Library, Archives, and Museums \$2.2 million to provide grants to entities that offer library and museum services. The National Endowment for the Arts provided \$749,000 to the Alaska State Council on the Arts for grants to Alaskan artists statewide.

[10:01:27 AM](#)

SENATOR MICCICHE asked why so many art funds remained.

MS. SANDERS explained that the Alaska State Council on the Arts decided to split the award and offer it over the next two fiscal years. She stated her belief that there are no restrictions to prevent grants from being awarded.

[10:02:37 AM](#)

MS. SANDERS stated slide 5 summarizes the Covid relief funding DEED received. DEED received \$621 million to spend on Covid relief for students and education. She noted that the \$512 million that school districts received does not include the Governor's Education Relief funds for non-public schools.

MS. SANDERS stated that she provided two handouts to the committee. The first handout was a snapshot of ESSER funding by school districts that included CARES, CRRSA, and ARPA allocations; HCY and IDEA allocations were omitted. The second handout was an Excel document showing all funding packages. Of the \$517 million packages given to school districts, \$77 million has been requested for reimbursement, leaving an unspent balance of \$439 million.

[10:04:57 AM](#)

MS. SANDERS advanced to slide 6 and introduced a Covid dashboard created on January 28, 2022. It is accessible through the DEED website and brings entities' information, resources, and spending details to one location.

[10:07:17 AM](#)

SENATOR BEGICH stated the dashboard offers accountability and asked how long it took to create.

MS. SANDERS replied that it took several months to create the dashboard. The dashboard allows viewers to see how school districts, DEED, the Office of the Governor, and non-public schools used COVID-19 funds. Graphics for each school district have been added, and more improvements will be forthcoming. she noted that categories for spending are broad, and school districts would need to be contacted for particulars.

[10:08:45 AM](#)

SENATOR BEGICH commented that the dashboard makes information accessible to the public.

SENATOR HUGHES commented that the ultimate goal of school districts is to teach Alaska's children. The dashboard is impressive and shows how money is spent, but it doesn't correlate with how students are faring. School districts have not posted report cards. Having a dashboard that correlated funding with student academic outcomes would help determine the best use of funds for the future. She stated her belief that the 20 percent of funding for learning loss should have been 80 percent.

[10:10:29 AM](#)

MS. SANDERS remarked that the commissioner had allocated funds to create a predictive outcomes dashboard. It is in the procurement process. She stated she would report back to the committee on the status of district report cards.

[10:11:03 AM](#)

SENATOR MICCICHE stated that the handout on COVID-19 Federal Relief Funding for Alaska School Districts shows that funding was not distributed based on student population. ESSER III funds appear to have favored rural communities. He asked for an explanation of differential.

MS. SANDERS stated that federal guidance required the funds be distributed based on Title I-A, not the average daily membership

(ADM), using the foundation formula. She offered to follow up with additional information for the committee.

[10:12:44 AM](#)

SENATOR MICCICHE stated that the challenges Alaskan schools face vary depending on location. It would be beneficial to understand how rural schools received increased financial support because it might be possible to apply that method to future long-term projects.

[10:14:21 AM](#)

MS. SANDERS moved to slide 7 and explained that the commissioner and state board of education are using the top five priorities of Alaska's Education Challenge to allocate funds allotted to the department. The commissioner will consider how the remaining funds can be used to create excellence in education while avoiding a fiscal cliff. He has encouraged school districts to be conscientious in their decision-making.

[10:16:10 AM](#)

SENATOR MICCICHE asked if DEED could provide more details on how funding matches the five priorities and the associated projects.

MS. SANDERS stated the department could provide dollar amounts for the projects highlighted on slide 7.

SENATOR MICCICHE replied that \$600 million in funding is a once-in-a-lifetime opportunity. He would like to know how the money, priorities, and projects connect to school districts because it could help the legislature supplement efforts.

MS. SANDERS replied that the department could only speak to its projects; it cannot speak to each school districts' projects. She recommended school districts be contacted directly.

[10:19:03 AM](#)

SENATOR BEGICH commented on opinion piece in the Anchorage Daily News written by several House members. The article concerned SB 111 and HB 164, also known as the Alaska Reads Act. He refuted statements and concluded that letting Alaskan children go another year without evidence-based early education reading opportunities condemns them to potential failure.

[10:27:35 AM](#)

SENATOR HUGHES stated that the comments in the article grieved her. Having lived in numerous rural communities, she has seen children not reach their full potential. SB 111 is designed to

meet the needs of the individual child. The authors of the article do not understand the bill.

CHAIR HOLLAND commented that he could see the effort that has been put into the bill over the past years. He stated his belief that SB 111 needs to pass this year.

10:30:15 AM

There being no further business to come before the committee, Chair Holland adjourned the Senate Education Standing Committee meeting at 10:30 a.m.